



DELIVERING STRATEGIC SOLUTIONS ACCA'S 2000 ANNUAL MEETING

DUE DILIGENCE LEGAL REVIEW DOCUMENT LIST

A. CORPORATE RECORDS.

1. Charter Documents -Certified Articles of Incorporation, Certificates of Amendment, Certification of determination or designation
 2. Bylaws - A certified copy of the bylaws of the Company as presently in effect and any amendments thereto which are certified since for the last five (5) years.
 3. Good Standing Certificates from the Secretary of State.
 4. Tax Status Certificates from the states of organization.
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1. Minute Books- The Company's minute book containing minutes and written consents of all board of directors, shareholders and committee of board of directors actions for the last five (5) years.
 2. List of states and foreign countries in which Company and its subsidiaries are qualified to do business, including names of registered agents and list of states and foreign countries including trade names of the Company are registered.
 3. List of any DBAs utilized.
 4. History of business activities, including acquisitions, restructurings, organizations, assumption or reinsurance treaties, dispositions, and repurchases for the past ten (10) years including any transactions of subsidiaries.

B. ORGANIZATION AND STRUCTURE.

1. Organizational and ownership charts or other information relating to the organizational structure of the Company and any of its subsidiaries or affiliates.
2. List of Officers and Directors of the Company and any of its subsidiaries or affiliates.
3. List of Parent and Subsidiaries with respect to the Company, its subsidiaries and affiliates.

C. SECURITY HOLDER RECORDS.

1. Stock Record Book - Stock Register and specimen certificates for each class of stock outstanding for the Company, subsidiaries and affiliates.
2. Stockholder Agreements- Copies of all agreements between the Company and its shareholders and among its shareholders, including:
 - a. Forms of stock purchase agreements
 - b. Shareholder buy/sell agreements
 - c. Voting trust agreements
 - d. Stock transfer restriction agreements
3. Options and Warrants- Copies of any stock option plan under which any options are now outstanding or are proposed to be issued, the form of option agreement, any warrant agreement under which warrants to purchase Company securities have been or are proposed to be issued, the form of warrant, copies of options and warrants not issued under a plan or warrant agreement, and any other conversion rights outstanding
4. Securities Law Compliance Documents - A copy of each filing evidencing compliance with federal and state securities laws for the issuance or transfer of any and all of the Company's securities of the Company, its subsidiaries and affiliates.

D. SUBSIDIARIES AND INVESTMENTS.

1. Corporate Records
 - a. Certified copies of all presently effective charter documents, bylaws and minutes of each subsidiary and affiliate of the Company for the last five (5) years.
 - a. Good Standing Certificates from the Secretary of State for each subsidiary and affiliate.
 - b. Tax Status Certificates from the status of organization for each subsidiary and affiliate.
 - c. List of status and foreign investments in which each subsidiary or affiliate is qualified to do business, including names or registered agents and list of states and foreign countries in which trade names of the subsidiary or affiliate is registered.
2. Stock Certificates
 - a. List of outstanding proxy restrictions on approval of stockholders agreements, warrant holders agreements and any voting trust for the Company, its subsidiaries and affiliates.
 - b. Certificates evidencing the Company's equity investment in any subsidiary or other entity; certificates evidencing a subsidiary's equity

investment in any other entity; certificates evidencing an affiliates' equity investment in any other entity.

3. Investment Certificates -Evidence of all investments of the Company, its subsidiaries and affiliates including, but without limitation:

- a. stock certificates
- b. promissory notes
- c. bonds and/or debentures
- d. certificates of deposit
- e. partnership agreements
- f. loan agreements (long term. or short term)
- g. joint ventures
- h. mortgages and/or deeds of trust
- i. intercompany investments
- j. capital leases
- k. guarantees
- l. lists of any restrictive shareholders agreements
 - m. letters of credit
 - n. pledges
 - o. security agreements

E. EMPLOYMENT DOCUMENTS.

- 1. Current organization chart of Company and each subsidiary and affiliate of the Company.
- 2. List of all directors, executives, and managers of Company and each subsidiary and affiliate showing:
 - a. Title
 - b. Responsibilities
 - c. Bonus eligibility
 - d. Date of last increase
 - e. Supervisor's name

- f. Date of service
- g. Date of hire
- h. Years of experience
- i. 2000 compensation
- j. Current annual salary
- k. Licenses, degrees or other educational achievements
- l. Date in current position
- m. Full or part-time status
- n. EEO date
- o. Department and/or organization code

3. Staff turnover statistics for past three (3) years of the Company, its subsidiaries or affiliates, with separate detail for:

- a. Executive/management
- b. Systems professionals
- c. Attorneys/tax experts
- d. Sales staff

4. Employment Agreements and Matters

- a. All employment agreements between the Company or any subsidiary or affiliate and its officers, directors, or employees
- b. All collective bargaining agreements of the Company, its subsidiaries or affiliates pursuant to which its unionized workers are employed, if any
- c. All contracts for the payment of royalties, license fees, etc. to employees, directors and/or officers of the Company, its subsidiaries or affiliates
- d. Investment managers agreements or fiduciary agreements of the Company, its subsidiaries or affiliates
- e. Incentive or compensation plans of the Company, its subsidiaries or affiliates
- f. Medical and disability plans of the Company, its subsidiaries or affiliates
- g. Consulting agreements or relationships of the Company, its subsidiaries or affiliates

h. A copy of the employee handbook with all amendments thereto of the Company, its subsidiaries or affiliates

i. A copy of any policy or procedure and personnel manuals relating to employee or human resource matters of the Company, its subsidiaries or affiliates

5. List of all independent contractors, including copies of contracts of the Company, its subsidiaries and affiliates.

6. Indemnification Agreements - All contracts between the Company or any subsidiary or affiliate and any of its directors or officers providing for indemnification of such officers or directors in case of suit.

7. Pension, Retirement and Profit Sharing Plans - Copies of all pension, retirement, savings, incentive compensation, executive compensation, profit sharing, bonus, severance pay, health and welfare benefit or similar plans, contracts, arrangements, manuals, policy and procedure documents and all other documents relating to the compliance of such plans, contracts or arrangements with the Employment Retirement Income Security Act of 1974 of the Company or any subsidiary or affiliate.

8. Description of all other fringe benefit programs of the Company, its subsidiaries or affiliates including:

- a. Retirement plans
- b. Disability income
- c. Vacation policy
- d. Holidays
- e. Life insurance
- f. Health insurance (pre and post-retirement)

9. Proprietary Rights and Non-Competition Agreements — pertaining to the non-disclosure of Company, subsidiary or affiliate trade secrets or property information; assignment of patent and/or other rights to incentives, devices, processes, etc. developed by employees; non-competition of employees, officers or directors with the Company, its subsidiaries or affiliates.

All agreements providing for:

- a. The non-disclosure of Company subsidiary or affiliate trade secrets or proprietary information
- b. The assignment of patent and/or other rights to inventions, devices, processes, etc. developed by employees of the Company, its subsidiaries or affiliates.
- c. The non-competition of employees, officers or directors with the

Company, its subsidiaries or affiliates.

10. Copies of all performance appraisals and evaluations for the executive officers and key employees of the Company and any subsidiary or affiliate for the past three (3) years.
11. Payroll processing calendar, including pay periods, pay dates, number of hours per standard work week, payroll provider for the Company, its subsidiaries and affiliates.
12. Listing or chart of assigned ranges for all non-exempt positions, including executives for the Company, its subsidiaries and affiliates.
13. Schedule of Benefit Liabilities, including, but not limited to, liabilities arising under any Plan, and the funding status of each Plan of the Company, its subsidiaries and affiliates.
14. Contribution rates for all Plans (employee & employer).
15. Set of enrollment materials for all benefit Plans.
16. Employee demographic information for benefit service determinations (i.e. Actives, Retires, COBRA, former employees) including the specific plans each employee has signed up for and their elections within each Plan.
17. Years of benefit service for each employee.
 18. Statistical Data/detail sent to any Actuary in connection with the valuation of any Plan.
 19. Contracts relating to the administration of any Plan, including, but not limited to, contracts for claims administration, investment management, investment advice, trust or custodial services, appraisals or actuarial services.
 20. The most recent determination letters on any qualified Plans.
 21. The most recent Form 5500 on all Plans.
 22. Form PBGC-1 filed for each of the three most recently completed Plan years for any defined benefit plans.
 23. Average deferral and contribution percentage results for the current and preceding plan year for any Section 401(k) plan.
 24. All documents related to loans to or from the Plans (including the form of the loan agreement and disclosure used in connection with participant loans from the 401 (k) plan).
 25. Disclosures intended to comply with ERISA 404(c) (to the extent that the 401(k) plan is treated as a 404(c) plan).
 26. Trust or custodial agreements for all Plans (including Rabbi Trusts), including all amendments of such agreements.

27. Contracts relating to any funding for all Plans (i.e. annuity contracts, life insurance contracts (including any group term life contract)).
28. The most recent financial statements and actuarial reports for all Plans, and any trust or custodial accounts maintained in connection with such Plans.
29. Evidence that all Plans which are excess benefit plans or top hat plans (i.e. plans maintained primarily for the purpose of providing deferred compensation for a select group of management or highly compensated employees under ERISA have filed with the Department of Labor on a timely basis.
30. Description of any oral or written representations made by management to employees concerning the Plans or any other matter to employee benefits.
31. For purposes of this request, "Plan" means any plan or program which Company, its subsidiaries or affiliates maintains or in which it participates, and which provides benefits to any current or former employee, officer, director, agent or other party, including, but not limited to, any employees benefit plan (as that term is used in Section 3 (3) of ERISA), any executive perquisite program, any stock based compensation plan or program, and any deferred compensation plan or program.
32. All administrative changes filed and correspondence with the NLRB, EEOC or any other employment related regulatory agency of the Company, its subsidiaries and affiliates.
33. List of workers compensation and unemployment compensation experience, and open cases of the Company, its subsidiaries and affiliates..
34. List of all employees of the Company, its subsidiaries and affiliates currently on layoff or disability.
35. Summary of: a) all labor grievances and disputes within the past five (5) years, b) pending efforts to unionize, and c) any scheduled or anticipated labor regulation of the Company, its subsidiaries and affiliates.
36. Describe in detail all agent compensation arrangements with respect to the Company, its subsidiaries and affiliates.
37. Describe agent demographics, including without limitation age, retention, and state of practice of the Company, its subsidiaries and affiliates.
38. Describe any agent dismissals or terminations in the last five (5) years with respect to the Company, its subsidiaries and affiliates.
39. Describe any insurance department investigation of agent activity during the last five years with respect to the Company, its subsidiaries and affiliates.
40. Describe any litigation involving any agent during the last five (5) years with respect to the Company, its subsidiaries and affiliates.
41. Describe all agent certification requirements of the Company, its subsidiaries and affiliates.

42. Describe all agent training programs of the Company, its subsidiaries and affiliates.

F. BONDS, PROMISSORY NOTES AND LOAN AGREEMENTS.

1. Bonds and Debentures - A copy of any bond or debenture representing a presently outstanding issue of the Company, its subsidiaries and affiliates.

2. Promissory Notes and Loan Agreements: For the Company, its subsidiaries, and affiliates, provide the following

a. Copy of all promissory notes outstanding including credit facilities

b. Copy of all purchase or loan agreements corresponding to such promissory notes.

c. Copy of all security agreements, deeds of trust, pledges, guarantees or other security instruments securing such promissory notes

d. Copy of any factoring agreements

e. Copy of all repurchase agreements

f. Copy of any ESOP plans

g. Copy of any off balance sheet financing or asset backed financing arrangements

3. Letters of Credit - Copies of letters of credit issued by the Company, its subsidiaries, and affiliates and currently outstanding.

1. Certificates of Deposit of the Company, its subsidiaries and affiliates.

2. Partnership Agreements of the Company, its subsidiaries and affiliates.

G. REAL PROPERTY AGREEMENTS.

1. Leases and subleases. All unexpired leases for Company facilities or for any real property in which the Company, its subsidiaries and affiliates have a leasehold or subleasehold, together with (a) locations and brief description, (b) description of all encumbrances, and (c) appraisal reports, if any.

2. Purchase Contracts - All purchase contracts under which any significant portion of the property of the Company, its subsidiaries, and affiliates is held and under which the Company, its subsidiaries and affiliates has continuing obligations or rights, together with (a) location and brief description, (b) description of all encumbrances, and (c) appraisal reports, if any.

3. For each real property owned by the Company, its subsidiaries and affiliates provide copies of all of the following:

- a. Phase I or Phase II studies
 - b. Surveys plans and Aas built@ drawings
 - c. Title insurance policies or binders
 - d. List of properties under any IRB or IDB financing
 - e. List of mortgages or deeds of trust (with breakouts of problem and potential problem loans)
1. List of all UCC filings involving any of the Company's, its subsidiaries' and affiliates' real estate or systems operations.

H. EQUIPMENT AND PERSONAL PROPERTY AGREEMENTS.

1. Leases - All unexpired leases under which any portion of the Company's, its subsidiaries' and affiliates' personal property is held, together with any security interests or encumbrances thereon.
1. Purchase Contracts- All purchase contracts under which any portion of the Company's, its subsidiaries' and affiliates' personal property is held and under which the Company, its subsidiaries and affiliates has continuing obligations or rights, together within any security interests or encumbrances thereon.
 2. List of all UCC statements currently in effect involving any of the Company's, its subsidiaries' and affiliates' Personal Property or Equipment.
 3. All agreements, executing the Company's, its subsidiaries' and affiliates' personal property or equipment.

I. INTELLECTUAL PROPERTY DOCUMENTS.

1. Rights Held by the Company, its subsidiaries and affiliates - Copies of all certificates of registration, applications for registration, licenses, franchises, or other evidence of the Company's, its subsidiaries' and affiliates' rights to any patent, copyright, trademark, process or other intellectual property right upon which the Company's, its subsidiaries' and affiliates' business depends to any significant extent.
1. Rights Granted by the Company, its subsidiaries and affiliates - Copies of all licenses, franchises or other rights to use patents, copyrights, trademarks, processes or other proprietary information or rights of the Company subsidiaries and affiliates granted by the Company, its subsidiaries and affiliates to others which produce royalties or other payments significant to the Company's, its subsidiaries and affiliates business.
 2. Description of material non-patented proprietary information.
 3. Description of any interference, infringement or unfair competition involving intellectual property of the Company, its subsidiaries and affiliates, whether current or potential.
 4. Manual or other written document detailing the procedure for maintaining the secrecy of trade secrets.
 5. Studies or reports relating to the validity or value of Company's plans, technology, trade secrets,

trademarks, trade secrets, trademarks, its subsidiaries and affiliates henceforth trade dues and copyrights and the licensing or merchandising thereof.

6. Agreements pursuant to which any patent, trademark, service mark, or trademark, service mark, or trademark has been sold or transferred on to the Company, its subsidiaries and affiliates and evidence of recording thereof.
7. Licensing agreements, merchandising agreements (naming Company, its subsidiaries and affiliates as license or licensor) or assignments relating to patents, technology, trade secrets, trademarks, service marks, trade dues, and copyrights.

J. OTHER MATERIAL CONTRACTS AND DOCUMENTS.

1. Insurance Policies - Copies of the Company's, its subsidiaries and affiliates insurance policies, including, without limitation:

- a. Public liability and property damage insurance
- b. Key-person life insurance
- c. Business interruption insurance
 - a. Director and Officer liability insurance, if any.
 - b. E&O Insurance
 - c. Fidelity Insurance

2. Distribution Agreements - A copy of all distributor and sales agency contracts in use by the Company, its subsidiaries and affiliates. If such contracts are on a standard form and used without material deviation from such form, a copy of the form is sufficient.

3. Supply Contracts - A copy of all long-term or significant supply contracts for any important components of the Company's, its subsidiaries' and affiliates' products or services, including, without limitation, material outstanding purchase orders.

4. Sales/Service Contracts - Any contract for the sale of Company's, its subsidiaries' and affiliates' products or for the rendering of services including administrative services which is material to the Company's, its subsidiaries' and affiliates' operations, including, without limitation, material outstanding invoices for products of the Company, its subsidiaries, and affiliates and all contracts with government agencies.

1. Non-Standard Contracts - Any contract outside the ordinary course of the Company's, its subsidiaries' and affiliates' business, including, without limitation, all material acquisition or reorganization agreements, contracts with any person who was, at the time of the contract, a director, officer, person or a business entity in which any such person held an interest.
2. Intercompany Contracts — Any contract to which the Company and any subsidiary or affiliate is a party.
3. Consulting Agreements — Copies of all material consulting agreements pursuant to which any of the Company, its subsidiaries, and affiliates are obligated to make payments.

8. Copies of any contracts restricting the ability of the Company or any subsidiary or affiliate to compete in any line of business with any person or entity or committing

the Company or any subsidiary or affiliate to continue in any line of business.

9. All engagement letters or contracts entered into by the Company, its subsidiaries and affiliates with any financial adviser investment banker or finder for which there might be obligations in a proposed transaction, list of all advisor's retained, taxes fees payable to them and claims for payments; copies of all related indemnification agreements.

10. All contracts or agreements which obligate the Company or any subsidiary or affiliate to indemnify a third party where the potential obligation of the Company or the subsidiary or affiliate is not insignificant.

11. List of all the contracts or agreements to which the Company, its subsidiaries or affiliates is a party that may require the consent of any third party to the proposed transactions or termination agreement.

12. All contracts or agreements with or pertaining to the Company or any of its subsidiaries or affiliates, and to which directors, officers, or owners of more than 5% of the stock of the Company, its subsidiaries or affiliates are parties.

13. All documents relating to any other transactions between the Company or any of its subsidiaries or affiliates and any directors, officers or owners of more than 5% of the stock of the Company, its subsidiaries or affiliates.

14. All documents pertaining to any receivables from or payable to directors, officers or directors of more than 5% of the stock of the Company, its subsidiaries or affiliates.

15. A list of all customers of the Company, its subsidiaries and affiliates for the last three (3) years which now account in excess of 2% of Company's, its subsidiaries' or affiliates' revenues in any business line.

1. Copies of all Reinsurance Pooling Agreements involving the Company, its subsidiaries or affiliates.
2. Current schedule of all insurance and reinsurance policies, contracts, and treaties maintained by the Company, its subsidiaries or affiliates.
3. Underwriting standards and ratings for outstanding insurance policies issued by the Company, its subsidiaries or affiliates.

K. LITIGATION PROCEEDINGS.

1. Current and Pending Litigation and Actions — Copies of all pleadings and other documents relating to pending litigation or regulatory proceedings either by or against the Company, or any subsidiary or affiliate.

2. Threatened Litigation and Actions - Copies of all pleadings and other documents relating to pending litigation or regulatory proceedings which may have a material effect on the Company any subsidiary or affiliate.

1. Settled Litigation and Actions - Copies of all material settlement agreements for the last five (5) years entered into by the Company any subsidiary or affiliate under which the Company any subsidiary or affiliate, has continuing obligations or rights.

4. All attorney's letters to accountants regarding litigation and litigation status reports as of more recent dates for the Company, its subsidiaries and affiliates.
5. Environmental Litigation — Schedule of significant claims, litigation or arbitration's, involving asbestos, pollution, or other toxic tort exposure involving claims or demands of the Company or any subsidiary or affiliate.
6. Consent Decrees — Copies of all consent decrees, judgments, other decrees or orders to which the Company or any of its subsidiaries or affiliates is a party or is bound, requiring or prohibiting any future or present activities.
7. Other Litigation — Copies of all pleadings and other documents relating to any allowed violation or infringement by the Company, its subsidiaries and affiliates or otherwise relating to the state of the Company's, its subsidiaries' or affiliates' compliance with any local, state or federal law or regulation orders or permits including without limitation: (a) equal employment opportunity; (b) antitrust; (c) intellectual property; and (d) state or federal securities laws.
8. Any litigation including an officer or director of the Company, its subsidiaries or affiliates concerning bankruptcy crimes, securities laws, or business practice for the past five (5) years.

L. REGULATORY CERTIFICATES, REPORTS, APPLICATIONS, AND MATTERS.

1. Applications to and Orders from Government Agencies - Copies of all applications to and orders received from any governmental regulatory authority having jurisdiction over the Company's, or any subsidiaries' or affiliates' business or any significant part thereof.
2. Stop Orders and Non-Compliance Reports — For the Company, or any subsidiary or affiliate provide copies of all reports filed with, or correspondence received from or notices, governmental regulatory authorities having significant part thereof evidencing failures to comply with any local, state, or federal law or governmental regulations orders or parents including without limitation:
 - a. Environmental statutes or regulation
 - b. Affirmative action requirements
 - c. The terms of any license, permit or certificate of authority held by the Company.
 - d. Individual property laws & state or federal securities laws
3. List of any pending disciplinary actions of the Company, its subsidiaries or affiliates.
4. List of any fines or penalties imposed upon the Company, its subsidiaries or affiliates by regulatory authority having jurisdiction for the last five (5) years, including basis for imposition.

5. Copy of any documents or reports pertaining to the Company, its subsidiaries or affiliates filed with any regulatory authority and any significant correspondence for the last five (5) years.
 6. List any licenses and permits ascertained from any regulatory authority by state, province, territory and county for the Company, its subsidiaries or affiliates.
 7. List of any complaints pertaining to the Company, its subsidiaries or affiliates filed with or reported to any regulatory or governmental authority for the last five (5) years, including an analysis of such complaint and the appropriate resolution, including annual costs relating thereto.
1. All correspondence with or reports to or filings with market conduct examinations or other material information with respect to any other regulatory bodies which regulate a material portion of the Company's, its subsidiaries' or affiliates' business of the past five (5) years.
 2. All insurance examination reports for the last five (5) examination periods for the Company, its subsidiaries or affiliates.
 3. All forms, reports, statements, and other documents, including registration statements filed with the SEC in compliance with the Investment Company Act, the Investment Advisers Acts, or the Securities Exchange Act of 1934 regarding the Company, its subsidiaries or affiliates.

M. ACCOUNTING AND TAX.

1. Audited consolidated balance sheets and statements of income, retained earnings, and changes in financial position for the last 5 years for Company and its subsidiaries or affiliates.
2. All Federal, state and local, including foreign, tax returns filed by the Company. and any subsidiary or affiliate, relating to income, profits, franchise, capital stock, sales, use, real and personal property, and other excise tax for the last five (5) years and copies of any IRS determination letters, all worksheets relating to the preceding and a list of all of the open years.
3. Agreements waiving or extending the statute of limitations involving the Company, its subsidiaries or affiliates.
4. Federal, state and local audit and revenue agent reports of the Company, its subsidiaries or affiliates for the last five (5) years.
5. Settlement documents and correspondence of the Company, its subsidiaries or affiliates for the last three (3) years.
6. Auditors work papers for the last five (5) years including tax accrual work papers of the Company, its subsidiaries or affiliates.
7. Detailed balance sheets of the Company, its subsidiaries or affiliates for five (5) years, including:
 - a. Detail of all items representing more than 2% of total assets
 - b. Accounts receivable aging, with listing of all items over \$10,000 and more than sixty (60) days past due

- c. Detail of all property and plant equipment items over \$10,000 showing original cost, estimated useful life and estimated current value.
- d. Detail of Developed Software and description of capitalization and amortization methodologies.

8. Detailed income statements of the Company, its subsidiaries and affiliates for five (5) years showing the following information separately:

- a. Detail of revenues showing all items representing more than 5% of revenue
- b. Detail of expenses showing all items representing more than 5% of revenue

c. Net cash flow

9. List of underlying assumptions for financial projections for the Company, its subsidiaries and affiliates.

- a. Include a detailed description of the historical and projected financial impact of Fidelity sublicense agreement, including all assumptions

10. 1999 budget operational plan, and comparison with actual YTD results for the Company, its subsidiaries and affiliates.

11. Detail of any significant non-recurring items in historical information and financial projections for the Company, its subsidiaries and affiliates.

12. All audit reports of the Company, its subsidiaries or affiliates received in the last five (5) years, including financial statement audits, reports by internal auditors, and reports by examiners from Internal Revenue Service, U.S. Securities & Exchange Commission, U.S. Department of Labor, and National Association of Securities Dealers.

- 1. Depreciation, investment credits bad debt reserves, aging account receivable and other tax benefit items, which may be subject to recapture for the Company, its subsidiaries and affiliates.
- 2. Comfort letter from the auditors of the Company, its subsidiaries and affiliates, as to the prior year financial and stub period.

15. Audit letters to management for the last five (5) years for the Company, its subsidiaries and affiliates.

16. Auditors' inquiry letters and replies for the last five (5) years for the Company, its subsidiaries, and affiliates.

17. Most current aging of accounts receivable and listing of other assets for the Company, its subsidiaries and affiliates.

18. Any rulings, concessions or the like which have been obtained from any federal, state or foreign taxing authority and which may apply to the current or future operations of the Company, its subsidiaries and affiliates or to years not yet finally audited.

19. All tax returns regularly filed by the Company or any subsidiary or affiliate.
1. All credit reports of the Company, its subsidiaries and affiliates.
 21. Provide detail on projections included in the Confidential Memorandum, including assumptions, mechanics, etc.
 22. All Customer lists of the Company, its subsidiaries and affiliates.
 23. An audit history of the Company, its subsidiaries and affiliates.
1. A list of the jurisdictions in which the Company, its subsidiaries and affiliates are doing business and those in which it is filing tax returns (both state and local).
2. Correspondence with tax authorities for the past five (5) years for the Company, its subsidiaries and affiliates.
3. Detail of taxes settled with reconciliation to financial statements for past five (5) years for the Company, its subsidiaries and affiliates.
4. Copies of any Tax Sharing Agreements, if any, of the Company, its subsidiaries and affiliates.
5. Schedule of all pending tax liabilities of the Company, its subsidiaries and affiliates.
6. Tax basis in assets of the Company, its subsidiaries and affiliates.
7. All closing agreements and ruling requests for all open years of the Company, its subsidiaries and affiliates.
8. All documents pertaining to the Company's, its subsidiaries' and affiliates' compliance with material tax laws and regulations.
9. FAS 87 valuation for pension plan cost for the Company, its subsidiaries and affiliates.
10. FAS 106 valuation for past retirement medical and life costs for the Company, its subsidiaries and affiliates.
11. FAS 112 valuation for post employment benefit costs of the Company, its subsidiaries and affiliates.
12. All Notes Receivable for the Company, its subsidiaries and affiliates.
13. Impact of recently adopted and proposed Accounting rules upon the Company, its subsidiaries and affiliates.
14. Off balance sheet assets/liabilities (if any) for the Company, its subsidiaries and affiliates.
15. Breakdown of revenue by source, carrier, and by case and client for the Company, its subsidiaries and affiliates.
16. Premium received by the Company, its subsidiaries and affiliates by plan for each of the past five years and projected for each of the next five years.
17. Copies of all trusts or custodial accounts maintained in connection with the business of the Company, its subsidiaries and affiliates.
18. Actuarial memoranda and opinions for the past three years, including assumption detail information or decrements, expenses and commissions, with output available in machine readable form for the Company, its subsidiaries and affiliates.
19. Copies of all correspondence between the Company, its subsidiaries or affiliates and rating agencies relating to the Company's ratings.
20. Detailed analysis and discussion of accounting for commissions and production bonuses paid to consultants by consultant and other sales related expenses for the Company, its subsidiaries and affiliates.
21. Expense studies and unit costs relating to each of the Company's, its subsidiaries and affiliates products for each of the past five years.
22. Recoverability studies for each of the Company's, its subsidiaries and affiliates products for each of the past five (5) years.
23. Interest credit calculation method for each of the Company's products for each of the past five

(5) years.

N. MARKETING.

1. Description of target markets for the Company, its subsidiaries and affiliates.
2. Top 50 clients based on 1999 revenue for the Company, its subsidiaries and affiliates.
3. Number of new clients acquired by the Company, its subsidiaries and affiliates, for each of the last three (3) years.
4. Number of clients lost by the Company, its subsidiaries and affiliates, for each of the last 3 years.
5. Listing of plans administered by the Company, its subsidiaries and affiliates showing current assets, number of participants and annual fee income.
6. Representative brochures, advertising or other materials describing products and services of the Company, its subsidiaries and affiliates.

O. SYSTEMS.

For the Company, its subsidiaries and affiliates providing the following:

1. List of equipment in place, both hardware and software.
 2. Description of backup and disaster recovery plans.
 3. System documentation for both marketed systems (e.g., Quantech and AutoDoc) and internal systems.
1. Description of capabilities of all marketed systems.
 2. Provide copy of the systems budget for last three (3) years and provide a systems organizational chart with titles and years with the Company.
 3. Description of all data processing systems, including personal and commercial lines processing, claims, general ledger and investment systems.
 - a. Identify hardware used, principal software, location of processing and support functions.
 - b. Inventory of personnel computers, PC software and internally developed software applications.
 - c. Agent principal legacy systems.
1. Examples of each significant report produced by systems.
 2. List of systems to be replaced, when, and at what cost.
 3. List of systems to be renovated, when, and at what cost.
 4. List of any systems, data centers, networks, etc. that are outsourced and state the business direction each supports.
 5. List all purchased systems with purchase date, vender name and address and version number.

List all in-house developed systems with age of each system. Provide system documentation if available. List platform or execution (mainframe, Novell, NT, UNIX, etc.). List primary development technology (COBOL, Visual Basis, Access, C++, etc.) Provide example of significant reports from each system, example screen prints or schedule in-house review. State the database make up for key systems (Oracle, Access, IMS, etc.)

6. List the system interfaces from outside business partners.
7. Provide a report of current volumes for each system and capacity planning assessments of maximum volumes or system failures.
8. Briefly describe internal/financial controls (system security, separation of duties) that exist. Who is responsible for this function?
9. What are your source code management procedures and tools? What are your security practices for key systems and data? What are your record retention procedures and data backup schedules?
10. Briefly describe your change control/management methodology and who is responsible for this function. If no formal procedures exist, how do you manage change?
11. What are the existing service level agreements with corporate product providers?
12. Has a disaster recovery plan been developed? If yes, please briefly explain the disaster recovery plan and provide a copy.
13. Who manages the disaster recovery plan? Please state name, title, and phone number?
14. Has the disaster recovery plan been tested? If yes, please provide test plan and results.
15. Has a business recovery plan been developed? If yes, please briefly explain the business recovery plan and provide a copy to the plan.
16. Who is in charge of implementing the business recovery plan? Please give name, title, and phone number.
17. How long can you operate on a manual basis?
18. Has the business recovery plan been tested? If yes, please state when and provide test plan and results.
19. Briefly describe any desktop workstation environment, and LAN server environment, including hardware platform, operating system(s) and release and productivity suite (MS Office, Lotus Smartsuite, etc.)
20. Describe your LAN/WAN network environment, vendors and topology.
21. Describe any Internet environment, vendors and security. Identify and E-mail system used.
22. Describe your voice and telephone environment. Who are your vendors? Include information on your PBX telephone system, any call routing and distribution system and your voice response system if applicable.
23. List the system interfaces from insurance carriers and other outside business partners.

P. FACILITIES.

1. All office furniture and equipment of Company, or any subsidiary or affiliate that is leased or owned by the Company, or any subsidiary or affiliate.
2. Description of supply purchasing of the Company, its subsidiaries or affiliates.
3. All automobiles and other transport equipment owned or leased by the Company, its subsidiaries or affiliates.

Q. INVESTMENTS.

For the Company, its subsidiaries, and affiliates provide the following:

1. Description of investment policies and procedures.
2. Analysis of investment portfolio (credit quality and market value).
3. Historical detail of investments under surveillance or watch list, by class.
4. Updates of investment, portfolio including investments not admitted for statutory accounting purposes.
5. Description of any hedging activities, other use of futures, options, and securities tending or other similar activities.
6. Detailed list of all non-investment grade assets.
7. Any schedules related to FAS 115.
8. All private placements.
9. All repurchase agreements, securitization investments, and pooling arrangements, if any.
10. All investments in commodities.

R. RESERVES AND LOSS DEVELOPMENT.

For the Company, its subsidiaries and affiliates provide the following:

1. Reserves studies performed by outside actuaries or auditors.
2. Internal actuarial reserve studies and departmental reports.
3. Complete actuarial loss reserve opinions for the NAIC statutory blank.
4. Listing of all reserves.

S. OPERATIONS.

For the Company, its subsidiaries and affiliates provide the following:

1. Most recent strategic plan.
2. Retrospective receivables analysis.
3. Staffing of branches; analysis of revenues and expense allocation by branch.
4. Recent department reports.
5. A copy of all operational manuals and procedures.

T. ENVIRONMENTAL MATTERS.

1. All internal reports of the Company, its subsidiaries or affiliates, or reports prepared by third parties and furnished to the Company, its subsidiaries or affiliates concerning environmental matters relating to the properties of the current or former Company, its current or former subsidiaries or its current or former affiliates.
2. Copies of any statements or reports given by the Company or any of its subsidiaries or affiliates to the Federal Environmental Protection Agency or any state department of environmental regulation or any similar state or local regulatory body, authority or agency.
3. All reports of Company, its subsidiaries or affiliates or outside reports concerning compliance with waste disposal regulations (hazardous or otherwise).
4. A list of all "hazardous materials," "hazardous substances" or "hazardous wastes" used or generated at any of the Company's or any subsidiary's or any affiliate's facilities.
5. All notices, correspondence or reports sent to, received by or served upon the Company or any of its subsidiaries or affiliates by the Federal Environmental Protection Agency or any state department of environmental regulation or any similar state or local regulatory body, authority or

agency.

6. List of any underground storage tank located on any of the property of the Company, its subsidiaries, or affiliates including age, condition, leakages, etc.
7. Description of any processes of facilities currently or previously operated by the Company, or any subsidiary or affiliate that generate or are suspected of generating any toxic or other hazardous material.
8. All pollution control or hazardous capital expenditure reports including budget requests for past three (3) years for the Company, its subsidiaries and affiliates.
9. All documents of the Company, its subsidiaries or affiliates relating to equipment using PCBs, spills of PCBs or worker exposure to PCBs and all documents relating to the existence or removal of asbestos.

U. FINANCIAL AND OTHER.

1. Management Letters from Auditors regarding the Company, its subsidiaries and affiliates.
2. Internal Audit reports to Management or to Audit Committee regarding the Company, its subsidiaries and affiliates.
3. Any filings of the Company, its subsidiaries and affiliates with the U.S. Securities & Exchange Commission, including but not limited to, the following for the past three (3) years:
 - 10-K: Annual Reports
 - 10-Q: Quarterly Reports
 - 8-K
 - Proxy statements
 - Registration statements
 - Offering memorandums or circulars
 - Annual Reports that were sent to shareholders or policyholders
 - Franchise agreements
 - Performance bonds

For the filings above, include analysis of the results and highlight any unusual or non-recurring items.

1. Customer complaints regarding the Company, its subsidiaries and affiliates for the last two (2) years.
2. Overview of the financials of the Company, its subsidiaries and affiliates.
3. Future competitive strategy of the Company, its subsidiaries and affiliates.
4. Market research reports, including industry structure market size and trades, of the Company, its subsidiaries and affiliates.
5. Budget projections and variants of the Company, its subsidiaries and affiliates for the last two (2) years, including assumptions used in preparation thereof. Include 1999 and 2000 comparison of actual to plan. Include financial projections into 2001, 2002, and 2003, if available.
6. Internal profit and loss statement by line or business for the Company, its subsidiaries and affiliates.
7. Audited financial statements, both consolidated and consolidating for the Company, its subsidiaries, and affiliates for the past five (5) fiscal years, inclusive of SAP or GAAP statements

- for the Company, its subsidiaries and affiliates.
8. Unaudited SAP or GAAP balance sheets of the Company, its subsidiaries and affiliates for the last five (5) fiscal years and related audited summary of operations and statements of change in capital and surplus and cash flow (including related notes and reports).
 9. Most recent unaudited interim financial information available for the Company, its subsidiaries and affiliates prepared since the date of the most recent audited financial statement.
 10. Detail of capital expenditures of the Company, its subsidiaries and affiliates.
 11. Sales, operating income and assets of the Company, its subsidiaries and affiliates.
 12. Separate consolidating statement for each subsidiary, divisions or affiliates of the Company.
 13. Brief description of contingent liabilities involving the Company, its subsidiaries or affiliates.
 14. Name of accountants and length of relationship with accountants indicating whether the accountants own any interest in or hold any position with the Company, its subsidiaries or affiliates.
 15. Management financial reports to the directors, or any committee thereof, of the Company, its subsidiaries, and affiliates prepared during the past five (5) years.
 16. Correspondence with the accountants of the Company, its subsidiary and affiliates prepared or received during the past five years, including all management letters from accountants.
 17. Brief description of depreciation policy of the Company, its subsidiaries and affiliates.
 18. Brief description of nature of prepaid or deferred income or expenses of the Company, its subsidiaries and affiliates.
 19. Copy of any sales projections and estimates, and copy of current budget and any budget projections including a discussion of any assumptions used in the preparation thereof of the Company, its subsidiaries and affiliates.
 20. Copies of press releases, issues or significant articles written about the Company or any of its subsidiaries or affiliates during the past five (5) years.
 21. Any reports on or analyses of the Company, its subsidiaries or affiliates prepared by the Company, its subsidiaries or affiliates, or for the Company, its subsidiaries and affiliates by others during the last (5) years, including without limitation any reports by rating agencies such as A.M. Best and Company ("Best"), Standard & Poor's Corporation, or Moody's Investor Services, Inc.
 22. List of the current Best ratings and most recent key ratios for the Company and each subsidiary or affiliate of the Company.

V. INSURANCE POLICIES, POLICYHOLDERS, AND PRODUCTS

1. Copies of all policy forms and other representative policies or types of contracts currently in force or being marketed, including those for annuities, variable life contracts, guaranteed investment contracts (GICs) and structured settlement products whether written by the Company or any of its subsidiaries or affiliates or assumed by the Company or any of its subsidiaries or affiliates; all prospectuses, offering documents and other literature relating to the foregoing policies and other contracts; all forms and product literature related to all other products currently in force or being marketed whether written by the Company or any of its subsidiaries or affiliates or assumed by the Company or any of its subsidiaries or affiliates.
1. All filings made with regulatory bodies, including but not limited to state insurance departments and the Securities and Exchange Commission, relating to the Company, its subsidiaries or affiliates, including but not limited to broker dealer filings, adviser registrations, investment company registrations, schedule 13 D and 13G, Forms 3, 4, and 5, and life insurance policies or annuity contracts in force with the Company, its subsidiaries or affiliates whether written by the Company, its subsidiaries or affiliates or assumed by the Company, its subsidiaries or affiliates.
2. All internal or external analysis relating to the annuity contracts of the Company, its subsidiaries

- or affiliates complying with Internal Revenue Code Section 72s.
3. Copies of all sales literature relating to the products issued by the Company, its subsidiaries or affiliates during the past ten (10) years.
 4. Copies of all training materials, whether software, hard copy or otherwise, used for the training of the agents and representatives of the Company, its subsidiaries or affiliates during the past ten (10) years.
 5. Copies of all executed and draft plan documents, administrative services agreements, fund participation agreements, advisory or sub-advisory agreements, or funding agreements with the customers of the Company, its subsidiaries, and affiliates and general agent agreements, including commission rates, other compensation and benefits of the Company, its subsidiaries, and affiliates.
 6. Interest rate experience for all of the products of the Company, its subsidiaries and affiliates for the past ten (10) years.
 7. General account segmentation guidelines and investment strategies for and explanation of how investment income is allocated to each of the products of the Company, its subsidiaries and affiliates.
 8. Breakdown of existing assets by each of the products of the Company, its subsidiaries and affiliates.
 9. For each of the GICs of the Company, its subsidiaries or affiliates, provide a report of the type of GIC, date of inception, maturity date, maturity value and reserve.
 10. Breakdown detailing expected asset and liability cash flow in aggregate by year for the GIC business written by the Company, its subsidiaries or affiliates.
 11. Description of the derivative process and administrative support system for the Equity Indexed Annuity of the Company, its subsidiaries, or affiliates, if any.
 12. Production figures and budget by office of the Company, its subsidiaries and affiliates.
 13. List of agents, including years of experience and years of employment by the Company, its subsidiaries or affiliates, production figures and compensation by agent for each of the last three (3) years.
 14. Production, premium, compensation and number of FTE in the Company's, its subsidiaries' or affiliates' telemarketing units for each of the past three (3) years, if any.
 15. Underwriting standards, actuarial assumptions and underwriting demographics relating to outstanding insurance policies and products issued by the Company, its subsidiaries or affiliates.
 16. Ratings for outstanding insurance policies and products issued by the Company, its subsidiaries, or affiliates.

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